

**Producer Advisory Council  
Meeting Minutes**

**June 20, 2012  
12:00-1:30pm  
Division of Insurance  
1560 Broadway, Suite 850  
Denver, CO 80202  
Conference Room 850-B**

**Council Members:**

Colorado Group Insurance Association  
Colorado State Association of Health Underwriters  
Financial Planning Association of Colorado  
Land Title Association of Colorado  
Long Term Care Forum of Colorado  
National Association of Insurance & Financial Advisors  
Professional Independent Insurance Agents  
Rocky Mountain Insurance Information Association  
Society of Financial Service Professionals  
Industry  
Industry

**Individual Contact:**

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Dorothy Marshall, Joel Rosenblum  
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Aaron Eisenach, Tammey Sullivan  
Hartman Axley, Coleen Love  
Gary Frisch  
Carole Walker  
Bob Avery  
Hugh Scott, via phone  
Jim Passarelli

**Division of Insurance:**

Commissioner Riesberg, Paula Sisneros, Jo Donlin, Tom Abel, Caryn Berumen

**Administrative Matters**

- Approval of Minutes: The May 16, 2012 meeting minutes were approved.

**Legislative Wrap-up**

Jo Donlin provided a legislative update:

- SB-38, Protect Consumers Residential Roofing Work – Signed on 6/6/12
- SB 110, Fraud Investigations – Reworked so that Pinnacol's investigations are not handled separately. Signed on 5/3/12
- HB-1008, Transparency in Rulemaking – DOI already allows the public and the industry to participate in the rulemaking process. Signed on 5/17/12
- HB 1057, Homeowners Insurance Additional Protection Bills – This bill died early in the session but the spirit is alive with the Governor & Commissioner
- HB 1071, Portable Electronics Insurance - Vendor selling insurance for portable electronic devices will need to be licensed by DOI – differentiates between warranties and insurance. Signed on 3/19/12
- HB-1215, Dodd Frank (surplus lines) – Bill regarding surplus lines premium tax collection. Signed on 4/13/12
- HB-1266, Sunset Continue Bail Bond Agent Regulation – streamlined the regulatory structure for bail; everything is in Title 10; Clarifies that cash and professional cash agents are not insurance agents and their products are not insurance products but financed by a bond; not allowed to form agencies. Effective July 1, 2012
- HB-1289, Auto Protest – Repealed the current auto protest process which was a quasi government and judicial process. New auto protest process will be less formal and auto protest complaints will be handled as consumer complaints. Better process for all – specifically consumers. Signed, effective Aug, 8, 2012

**Prescreening Application**

Some Council members were concerned about their inability to obtain the prescreening application from consumers who are applying for Individual Health Benefit Plans. The law states that insurance agents are required to maintain the prescreening application however; the insurance carriers are allowing consumers to submit an application without the prescreening application thus creating an issue for the agents who will have incomplete records. Initially, the Division believed this problem could be resolved with the issuance of a bulletin. After discussing the issue with the Council members it was decided that the Division should re-open regulation 4-2-36 to clarify that the prescreening application is required. The Division will work with the carriers to require the submission of the prescreening application prior to a policy being issued.

## Are You Wildfire Ready

Rocky Mountain Insurance Information Association partnered with the Division, Channel 4, the Governor's Office and others for the Wildfire Ready Campaign. The Campaign ran from May 17, 2012 through June 17, 2012. Carole Walker presented three commercials that aired on Channel 4.

## Commissioner's Update

- Commissioner Riesberg provided an update on the following topics:
  - Summary of Benefits to be included in policies.
  - Another homeowners bill will be introduced in the next legislative session
  - The Health Exchange is moving quickly.
    - ◆ Decisions need to be made on the roles of navigators and brokers.
    - ◆ How to get to base plan?
    - ◆ Discussions on how to get people enrolled.
    - ◆ Have not yet determined how many people need to be enrolled in the first year.
    - ◆ CGI won the technology contract including the call center
    - ◆ How can agents who are not appointed with all insurance companies present the consumer with all of their options? There has been discussion that the Exchange should become a general agent in Colorado and the brokers who want to sell within a plan for a company where they don't have a contract could do so with a general agent contract through the Exchange.

## Summary of Benefits

Dayle Axman distributed the new summary of benefits and coverage form that is part of the new federal requirement and the glossary of terms to be made available under the federal requirements; and FAQ's of when the documents need to be provided for Health Benefit Plans under the Federal Healthcare Reform. Because of the requirements that need to be in effect by Sept. DOI has to make some changes to the Colorado Health Benefit Plan Description Form. Regulation 4-2-20 has been noticed for hearing on July 2, 2012. Colorado is proposing that the changes to the Colorado Health Benefit Plan Description form be changed to supplement to the federal form and to provide Colorado consumers more information. Regulation 4-2-20 will be effective September 1, 2012. The form is to be used starting September 23, 2012.

## B-6.3 Claim Settlement Payments

Created due to CORA requests re: using prepaid debit cards for claim settlement payments.

## Definition of Long Term Care Insurance Training Requirements

Regulation 1-2-5 has been noticed for hearing to clarify the definition of classroom course to include online courses. Applies to the continuing education portion but does not apply to the initial courses (8 hours). Online course has to be an interactive live webinar.

## Rulemaking Hearings

- Emergency Regulations effective 7/1/2012:
  - 12-E-01 Continuing Education Requirements for Licensed Insurance Producers (1-2-4)
  - 12-E-02 Concerning the Regulation of Insurance Producers by the Colorado Division of Insurance: Colorado Producer Licensing Model Act (1-2-10)
  - 12-E-03 Bail Bond Premium Rate Filing Requirements
  - 12-E-04 Standards and Approval for Required Education Courses for Producers to be Appointed by a Bail Insurance Company (1-2-11)
  - 12-E-05 Concerning Record Keeping and Reporting Requirements for Insurance Producers Authorized to Write Bail Bonds, and the Format of the Required Disclosure Statement (1-2-14)
  - 12-E-06 Cash-Bonding Agent and Professional Cash-Bail Agent Cash Qualification Bond Requirements and Provisions for Release of Qualification Bond
  - 12-E-07 Insurance Producers Appointment and Termination Requirements for Bail Insurance Companies and Credentials Required by § 10-2-418(2), C.R.S. (1-2-16)

- 12-E-08 Concerning Record Keeping and Reporting Requirements for Cash-Bonding Agent and Professional Cash-Bail Agents, and the Format of the Required Disclosure Statement (new)
- 12-E-09 Insurance Producer Prelicensing Education Requirements for Residents (1-2-5)
- 12-E-10 Cash-Bonding Agent and Professional Cash-Bail Agent Provisions for Release of Qualification Bond (1-2-13)
- 12-E-11 Registration Requirements, Fees for Cash-Bonding Agents and Professional Cash-Bail Agents (new) (new)

➤ July 2, 2012 Rulemaking Hearing

- 2-1-11 Viatical Settlements
- 2-4-1 Concerning Surplus Lines Insurance Issued by Non-Admitted Insurers
- 2-6-1 Concerning Attorney in Fact for Reciprocal or Interinsurance Exchanges
- 3-1-5 Concerning Enterprise Zones Credit Against Premium
- 4-2-20 Concerning the Colorado Comprehensive Health Benefit Plan
- 5-1-6 Definition of Inland Marine Insurance
- 5-1-14 Penalties for Failure to Promptly Address Property and Casualty First Party Claims
- 5-1-17 Availability of Fire Insurance During Wildfires
- 5-2-8 Timely Payment of Personal Injury Protection Benefits

### **New Members**

A new organization and a new individual expressed interest in joining the Producer Advisory Council:

- Rocky Mountain Employers Health Alliance – Dan Anglin will be representing RMEHA.
- Hugh Scott – Wants to participate on the Producer Advisory Council as an industry individual. He is a commercial insurance producer in Steamboat Springs.

The current Producer Advisory Council members approved both representatives. RMEHA and Mr. Scott will be added as members.

### **Action Items**

- Next meeting September 19, 2012